

CITY OF HUNTINGTON PARK

Oversight Board Agenda Report

November 13, 2013

Honorable Chair and Members of the Oversight Board
City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255

Dear Members of the Oversight Board to the Successor Agency of the Community Development Commission of the City of Huntington Park:

PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT 6325 PACIFIC BOULEVARD (“HERITAGE PLAZA”)

IT IS RECOMMENDED THAT THE OVERSIGHT BOARD:

1. Approve in substantial form, a Purchase and Sale Agreement (Agreement) for property located 6325 Pacific Boulevard (Heritage Plaza) in accordance with the Long Range Property Management Plan (LRPMP)
2. Adopt Resolution approving the sale of the Heritage Plaza in accordance with the dissolution process
3. Authorize the Executive Director of the Successor Agency to execute all documents related to the sale of the Heritage Plaza property.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

AB X1 26 and AB 1484, which outline the dissolution process for Redevelopment Agencies (RDAs), require Successor Agencies to prepare a LRPMP outlining a strategy to dispose of real estate assets. The LRPMP must be submitted and approved by the Oversight Board and Department of Finance (DOF). At the time of dissolution, the former RDA (now a Successor Agency) owned the following four properties: Heritage Plaza, Rugby Parking Lots, Carmelita, and Southland Steel.

On June 3, 2013, the Successor Agency completed its LRPMP recommending that all four properties be sold. The LRPMP was subsequently approved by the Oversight Board on June 12, 2013, and the DOF on August 29, 2013. The next step in the dissolution process is to dispose of all four real estate assets according to the approved LRPMP

APPROVE A PURCHASE AND SALE AGREEMENT FOR HERITAGE PLAZA PROPERTY

November 13, 2013

Page 2 of 3

At this time the Successor Agency is requesting authorization to execute an Agreement for the sale of the Heritage Plaza property. Bolo Corporation, the private entity currently leasing the property, has offered to purchase the land for \$100,000.

Property History

The 7,400 square feet property was purchased by the former RDA in 1972. On June 1, 1983, RDA provided Ventra Corporation, a 75-year ground lease for \$100 per year. The lease was subsequently assigned to Bolo Corporation (leaseholder) in 1988. The property is improved with a three-story brick retail/office building constructed and owned by the leaseholder. On February 28, 2013, the property was appraised at \$17,000 (the discounted value of \$100 lease payments for 45 years).

Terms of Sale

Jones Lang LaSalle (Successor Agency's broker) and Bolo Corporation have negotiated the following terms of the sale:

1. Purchase price - \$100,000 "as is" condition
2. City will continue to provide and maintain 100 spaces of public parking in the lot immediately behind Heritage Plaza
3. Bolo will continue to provide public right of way to the parking
4. 30-day escrow period
5. Agreement is subject to final approval by the DOF.

FISCAL IMPACT/FINANCING

The sale price of the property is \$100,000 - \$83,000 above the appraised value of \$17,000. The net proceeds from the sale will be used to pay outstanding Successor Agency obligations (i.e. Arbitrage rebate liability).

Note: the sale proceeds will also pay for the broker's commission fee of three percent (3%).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The guidelines under AB 1484 outline a 5 step process for the disposition of properties:

1. Due Diligence Reviews ("DDR's")

APPROVE A PURCHASE AND SALE AGREEMENT FOR HERITAGE PLAZA PROPERTY

November 13, 2013

Page 3 of 3

- a. Completed – November 12, 2012 (Housing Funds) and January 8, 2013 (Non-Housing Funds)
2. Remit all cash assets to the County-Auditor Controller and taxing entities
 - a. Completed – No cash available to remit
3. DOF issues Finding of Completion
 - a. Completed – issued on April 12, 2013
4. Develop and Approve LRPM Plan
 - a. Successor Agency Approval – June 3, 2013
 - b. Oversight Board Approval – June 12, 2013
 - c. Department of Finance – August 29, 2013
5. Dispose of real estate assets in accordance with LRPM Plan – At this time the Successor Agency is requesting approval of an Agreement for the sale of the Heritage Plaza.

CONCLUSION

Upon approval by Successor Agency and Oversight Board, the Purchase and Sale Agreement will be submitted to the DOF for final approval.

Respectfully submitted,



JULIO MORALES
Finance Director

ATTACHMENTS

- A. Purchase and Sale Agreement
- B. Resolution

**AGREEMENT FOR PURCHASE AND SALE AND
JOINT ESCROW INSTRUCTIONS**

This AGREEMENT FOR PURCHASE AND SALE AND JOINT ESCROW INSTRUCTIONS (“**Agreement**”) is dated as of _____, 2013 and is entered into by and between the SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK (“**Seller**”), and PAC HP HOLDINGS, LLC, a California limited liability company (“**Buyer**”). Buyer and Seller are sometimes individually referred to herein as “**Party**” and collectively as “**Parties**.”

RECITALS

- A.** Seller is the owner of the land described on Exhibit A (“Property”).
- B.** Huntington Park Redevelopment Agency, a public body corporate and politic, the predecessor-in-interest of Seller, and Ventra Incorporated, the predecessor-in-interest of Buyer, entered into that certain Ground Lease dated June 1, 1983, recorded on June 1, 1983 as Instrument No. 83-612083 in the Official Records. Pursuant to the Ground Lease, Seller leases the Property to Buyer.
- C.** Seller desires to sell to Buyer, and Buyer desires to purchase the Property from Seller, in accordance with the terms and provisions contained in this Agreement.
- D.** Pursuant to the Ground Lease and that certain Developer Agreement between Huntington Park Redevelopment Agency and Ventra Incorporated dated May 3, 1982, Seller reserved from the Ground Lease a pedestrian walkway for use by the general public, and Seller agreed to maintain public parking adjacent to the Property. Seller and Buyer desire to maintain that pedestrian walkway and public parking as part of this transaction.
- E.** Pursuant to that certain Agreement Regarding Parking Easement recorded on May 8, 2013 as Instrument No. 20130691999 in the Official Records (the “Parking Easement Agreement”), the City of Huntington Park has an easement to use the Parking Easement Area (as defined in the Parking Easement Agreement) for operation and use of a parking garage facility and amenities related thereto. The grant by City to Buyer of the non-exclusive right to use up to 100 of the public parking spaces in the Parking Easement Area shall be condition to the close of escrow.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

TERMS

1. PURCHASE AND SALE.

1.1 Seller agrees to sell the Property to Buyer, and Buyer agrees to purchase the Property from Seller, upon the terms and conditions set forth herein.

1.2 Purchase Price. The purchase price for the Property is One Hundred Thousand and No/100 Dollars (\$100,000.00) ("**Purchase Price**"), which the parties have determined is the fair market value of the Property.

1.3 Payment of Purchase Price. At Close of Escrow (defined below), Buyer shall pay the Purchase Price to Seller through escrow, by cashier's or certified check or by wire transfer of funds.

2. ESCROW.

2.1 Opening of Escrow. Within five (5) business days following the execution of this Agreement, Seller and Buyer shall open an escrow ("**Escrow**") with Stewart Title of California, Inc. at 525 N. Brand Boulevard, Glendale, CA 91203 ("**Title Company**").

2.2 Escrow Instructions. This Agreement constitutes the joint basic escrow instructions of Buyer and Seller for conveyance of the Property. Buyer and Seller shall execute, deliver and be bound by any reasonable or customary supplemental or additional escrow instructions ("**Additional Instructions**") of Title Company or other instruments as may be reasonably required by Title Company in order to consummate the transaction contemplated by this Agreement; however, any such Additional Instructions shall not conflict with, amend or supersede any portions of this Agreement unless expressly consented or agreed to in writing by Seller and Buyer. In the event of any conflict or any inconsistency between this Agreement and such Additional Instructions, this Agreement shall govern unless otherwise specifically agreed to in writing by the Parties.

2.3 Close of Escrow. For purposes of this Agreement, "**Close of Escrow**" or "**Closing**" means the recordation in the Official Records of Los Angeles County, California, of (a) a grant deed ("**Grant Deed**") in the form attached hereto as Exhibit B, (a) a pedestrian easement ("**Pedestrian Easement**") in the form attached hereto as Exhibit C, and (b) a parking covenant agreement ("**Parking Covenant**") in the form attached hereto as Exhibit D, and the disbursement of funds and distribution of any other documents by Title Company, all as described herein. Subject to the satisfaction of the conditions precedent below, Close of Escrow is to occur on or before _____, 2014 ("**Closing Date**"). The Close of Escrow shall be conditioned upon satisfaction, or written waiver by the Party for whose benefit the condition exists, of all conditions precedent thereto, including the prior approval of the Oversight Board to the Successor Agency to the Community Development Commission of the City of Huntington Park and the California Department of Finance. In the event the Escrow is not in a condition to close by the Closing Date for any reason other than the uncured breach of either the Buyer or the Seller, then any Party who is not then in default of the terms of this Agreement may terminate this Agreement as provided in Article 6. If no notice of termination as provided in Article 6 is received by Title Company, Title Company is instructed to proceed with Close of Escrow as soon as possible.

2.4 Costs of Escrow and Closing Costs. Seller shall pay the costs of the Title Policy (as defined below), documentary transfer tax, and any cost of recording and Buyer shall pay the costs associated with any extended coverage title policy and/or title endorsements requested by Buyer. Each party shall pay 50% of the escrow fees and charges. Any other

closing costs and costs of processing the Escrow, except as specifically instructed in this Agreement, shall be divided between the Parties in accordance with common escrow practices in Los Angeles County at the discretion of the Title Company. Title Company shall provide an estimated closing costs statement to Buyer and Seller at prior to the Closing Date.

2.5 Buyer's Conditions Precedent to Close of Escrow. The Close of Escrow and Buyer's obligation to acquire the Property and pay the Purchase Price is subject to the satisfaction of the following conditions for Buyer's benefit (or Buyer's waiver thereof, it being agreed that Buyer may waive any or all of such conditions) on or prior to the Closing Date as set forth below or in a writing signed by Buyer and delivered to Seller and Escrow:

2.5.1 Seller shall have delivered to Escrow all documents required of it pursuant to this Agreement;

2.5.2 The Title Company shall be committed to issue the Title Policy required pursuant to this Agreement, subject only to the Permitted Exceptions (defined in Section 3.2).

2.5.3 All representations and warranties of the Seller hereunder shall be true in all material respects as of the date hereof and as of the Close of Escrow.

2.6 Seller's Conditions Precedent to Close of Escrow. The Close of Escrow and Seller's obligation to convey the Property is subject to the satisfaction of the following conditions for Seller's benefit (or Seller's waiver thereof, it being agreed that Seller may waive any or all of such conditions) on or prior to the Closing Date:

2.6.1 Buyer shall have delivered to Escrow all payments and documents required of it pursuant to this Agreement.

2.6.2 Buyer shall have completed in a timely fashion all of its obligations which are to be completed prior to the Close of Escrow as provided in this Agreement.

2.6.3 Approval of this transaction shall have been obtained from the Oversight Board to the Successor Agency to the Community Development Commission of the City of Huntington Park and the California Department of Finance.

2.7 Buyer's Payments and Documents. Prior to Closing, Buyer shall pay or tender (as applicable) to the Title Company the following described funds and documents (in recordable form, as necessary):

2.7.1 The Purchase Price.

2.7.2 Funds required to pay the costs described in Section 2.4 of this Agreement.

2.7.3 An original of the Pedestrian Easement, executed by Buyer and acknowledged.

2.7.4 An original of the Parking Covenant, executed by Buyer and acknowledged.

2.7.5 Such other documents and funds required of Buyer under this Agreement or reasonably required by Title Company.

2.8 Seller's Payments and Documents. Prior to Closing, Seller shall tender to the Title Company the following documents (in recordable form, as necessary):

2.8.1 An original of the Grant Deed, executed by Seller and acknowledged.

2.8.2 An original of the Pedestrian Easement, executed by the City of Huntington Park and acknowledged

2.8.3 An original of the Parking Covenant, executed by the City of Huntington Park and acknowledged.

2.8.4 A FIRPTA Certificate and California Form 590 or 593-C, if required by Title Company in order to confirm that no tax withholding is necessary.

2.8.5 Such other documents and funds required of Seller under this Agreement or reasonably required by Title Company.

2.9 Title Company Responsibilities. Upon the Closing, Title Company is authorized and instructed to:

2.9.1 Using the proceeds of the sale (the funds deposited by Buyer representing the Purchase Price), to cause the satisfaction and removal of all exceptions to title to the Property except for the Permitted Exceptions (defined below), provided that before such payments or charges are made, Title Company shall notify Seller of the terms necessary to satisfy and remove such monetary liens or encumbrances, and Seller shall approve the disbursement of necessary funds.

2.9.2 Pay, and charge Buyer and Seller, respectively, for any fees, charges and costs payable under Section 2.4.

2.9.3 Record the Grant Deed, Pedestrian Easement, and Parking Covenant, and any other instruments as appropriate, delivered through Escrow.

2.9.4 Deliver to each Party copies of all tax withholding form(s).

2.9.5 Disburse such other funds and deliver such other documents to the Parties are entitled thereto.

2.9.6 Cause the Title Policy or Extended Policy (as defined below), as applicable, to be issued.

2.10 Notices. All communications from Title Company to either Buyer or Seller shall be directed to the addresses and in the manner established in Section 8.1 for notices, demands and communications between the Buyer and Seller.

3. TITLE.

3.1 Condition of Title; Title Policy. It is a condition to the Close of Escrow for Buyer's benefit that the Title Company be committed to issue to Buyer, upon Close of Escrow, a standard CLTA owner's policy of title insurance ("Title Policy") in an amount equal to the Purchase Price, showing the Property subject only to the Permitted Exceptions. Title Company will issue the Title Policy to Buyer upon Close of Escrow. Instead of the Title Policy being a standard CLTA owner's policy of title insurance, Buyer may instead elect to obtain an extended coverage ALTA owner's policy of title insurance ("Extended Policy") on the following conditions: (a) Buyer pays for all additional premiums and any other fees and costs attributable thereto; and (b) Buyer shall be solely responsible for preparing any ALTA survey required for the Extended Policy (and shall defend, indemnify and hold Seller harmless from liabilities, claims, costs and expenses arising from the inspection of the Property by Buyer's surveyor).

3.2 Permitted Exceptions. The term "**Permitted Exceptions**" as used herein shall mean the following described conditions and exceptions to title or possession:

3.2.1 A lien to secure payment of general and special real property taxes and assessments, not delinquent.

3.2.2 A lien of supplemental taxes assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code accruing on or after the Close of Escrow.

3.2.3 Matters affecting the condition of title created by or with the consent of Buyer.

3.2.4 An easement for use by the public as a pedestrian walkway, as more particularly described in the form of Grant Deed attached hereto as Exhibit B.

3.2.5 Other exceptions to title disclosed by the Title Report (defined below) that have been approved in writing by Buyer prior to the Contingency Date (defined below), which constitute Permitted Exceptions under Section 3.3 below.

3.3 Title Report, Review and Approval. Within fifteen (15) calendar days following the Effective Date, Buyer shall obtain, and shall provide a copy to Seller of, a standard preliminary report from the Title Company, together with the underlying documents relating to the Schedule B exceptions set forth in such report (collectively, the "Title Report") and until December 6, 2013, Buyer shall have the right to cause an ALTA survey to be performed. Buyer shall have until December 16, 2013 (Contingency Date) to review and approve the Title Report. Buyer shall notify Seller in writing on or before the Contingency Date of any disapproved matters in the Title Report and Survey. Any matters not so disapproved shall be a part of the Permitted Exceptions. Seller shall have thirty (30) days from the receipt of Buyer's notice either to obtain, as applicable, the issuance of an endorsement to the Title Report removing such

disapproved matters or, if acceptable to Buyer, to obtain affirmative title insurance protection for such disapproved matters satisfactory to Buyer in Buyer's sole discretion. If Seller fails either to provide for the removal of such exceptions or to obtain affirmative title insurance protection for such exceptions satisfactory to Buyer in Buyer's sole discretion within such thirty-day period, then this Agreement, at Buyer's option, shall be terminated upon written notice to Seller at any time prior to the Closing pursuant to Section 6.1 below, and if such notice is not timely given, then such disapproved matters shall constitute Permitted Exceptions.

4. SUITABILITY AND CONDITION OF PROPERTY. Buyer acknowledges that it has inspected the Property.

5. BUYER'S ACKNOWLEDGMENT AND GENERAL RELEASE.

5.1 "AS-IS" Sale. Buyer acknowledges and agrees that Buyer is purchasing the Property in its "AS-IS" condition, without representation or warranty, express or implied, except as set forth in this Agreement. Buyer further acknowledges and agrees that Buyer, and its predecessors-in-interest, have been in possession of the Property since 1983.

5.2 Waivers and Releases. Upon Close of Escrow, Buyer hereby waives, to the maximum legal extent, any and all claims, remedies and causes of action for damages, liabilities, losses or injuries related to Buyer's acquisition of the Property, whether known or unknown, foreseeable or unforeseeable. Buyer, on behalf of itself and its successors and assigns, hereby fully releases Seller, and its Oversight Board, and their respective successors, agents, representatives and assigns, and all other persons and associations, known and unknown, from all claims and causes of action by reason of any damage which has been sustained, or may be sustained, as a result of Buyer's purchase of the Property or any preliminary steps thereto. Notwithstanding anything to the contrary, Buyer does not waive or release Seller from any claims due to Seller's breach of this Agreement.

5.3 California Civil Code Section 1542. Buyer hereby acknowledges that it has either consulted with legal counsel, or had an opportunity to consult with legal counsel regarding this Agreement, and represents and warrants that it is familiar with the provisions of California Civil Code Section 1542, which provides,

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

Buyer acknowledges that with respect to the sale of the Property to Buyer, Buyer may have sustained damage, loss, costs or expenses which are presently unknown and unsuspected, and such damage, loss, costs or expenses which may have been sustained, may give rise to additional damage, loss, costs or expenses in the future. Nevertheless, Buyer hereby acknowledges, represents and warrants that this Agreement has been negotiated and agreed upon in light of that situation, and hereby waives, to the maximum legal extent, any rights accruing to it under Section 1542 or other statute or judicial decision of similar effect.

Buyer's Initials

This acknowledgment and release shall survive the Close of Escrow.

6. TERMINATION, DEFAULTS AND REMEDIES.

6.1 Exercise of Rights to Terminate. In the event Buyer elects to exercise any rights to terminate this Agreement and the Escrow, then Buyer may so terminate by giving notice, in writing, of such termination to Seller and Title Company. In the event Seller elects to exercise any right to terminate this Agreement and the Escrow, then Seller may so terminate by giving notice, in writing, of such termination to Buyer and Title Company. In such event, the Party so terminating shall pay all Title Company and Title Company termination fees and charges (collectively, "Termination Costs"). Upon such termination, all obligations and liabilities of the Parties under this Agreement, excepting for the obligation of Party so terminating to pay Termination Costs as provided herein, shall cease and terminate.

6.2 Buyer's Breach. In the event Buyer breaches any obligation hereunder which Buyer is to perform prior to the Close of Escrow, and fails to cure such breach within ten (10) business days after receipt of written notice from Seller, then Seller may terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Buyer and Title Company. In such event, Buyer shall pay all Termination Costs. Upon such termination, all obligations and liabilities of the Parties under this Agreement, except for Buyer's obligation to pay Termination Costs as provided herein, shall cease and terminate.

6.3 Seller's Breach. In the event Seller breaches any obligation hereunder which Seller is to perform prior to the Close of Escrow, and fails to cure such breach within a reasonable period of time determined at the sole discretion of Buyer, then, in addition to pursuing any other rights or remedies which Buyer may have at law or in equity, Buyer may, at Buyer's option, (i) terminate this Agreement and the Escrow by giving notice, in writing, of such termination to Seller and Title Company or (ii) initiate an action for specific performance of this Agreement.

6.4 Return of Funds and Documents; Release of Liability as to Title Company. In the event Title Company terminates this Escrow as a result of having received notice, in writing, from Buyer or Seller of its election to terminate the Escrow as provided herein, then Title Company shall terminate the Escrow and return all funds, less Termination Costs, as appropriate, and documents to the Party depositing the same. Further, the Parties hereby release Escrow Holder, and shall hold Escrow Holder free and harmless, from all liabilities associated with such termination excepting for Escrow Holder's obligations to return funds and documents as provided herein.

7. REPRESENTATIONS AND WARRANTIES; COVENANT.

7.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer that the statements in Sections 7.1.2 and 7.1.3 are true and correct as of the Effective Date, and shall be true and correct as of Close of Escrow in all material respects, and Seller hereby makes the covenant in Section 7.1.1:

7.1.1 No Agreements or Undertakings. Seller will not enter into any agreements or undertake any obligations prior to Close of Escrow which will in any way burden, encumber or otherwise affect the Property without the prior written consent of Buyer, including, without limitation, any agreements for occupancy of the Property.

7.1.2 Hazardous Materials. Seller is aware of its obligation under California Health and Safety Code Section 25359.7 to disclose information to Buyer regarding the environmental status of the Properties. Seller warrants to Buyer that to Seller's knowledge the Property is not in violation of any federal, state or local statute, regulation or ordinance relating to industrial hygiene or to environmental conditions on, under or about the Property, including, without limitation, soil and groundwater conditions underlying the Property which could affect the Property or their use. Seller has not used, generated, manufactured, stored or disposed of on, under or about the Property, or transported to or from the Properties, any "**Hazardous Materials**" as defined in any state, federal or local statute, ordinances, rules or regulation applicable to the Property, including, without limitation, any flammable materials, explosives, radioactive materials, hazardous or contaminated materials or substances, toxic or noxious materials, substances or related materials or substances.

7.1.3 Litigation. To Seller's knowledge, there are no claims, actions, suits or proceedings continuing, pending or threatened against, or affecting Seller or the Property, or involving the validity or enforceability of this Agreement, or of any other documents or instruments to be delivered by Seller at Close of Escrow, at law or in equity, or before or by any federal, state, municipal or other governmental department, board, commission, bureau, Buyer or instrumentality.

8. OTHER.

8.1 Notices and Demands. All notices or other communications required or permitted between the Parties hereunder shall be in writing, and shall be (i) sent by United States certified mail, postage prepaid, return receipt requested, or (ii) sent by nationally recognized overnight courier service (e.g., Federal Express or United Parcel Service), addressed to the Party to whom the notice is given at the addresses provided below, subject to the right of any Party to designate a different address for itself by notice similarly given. Any notice so given by certified United States mail shall be deemed to have been given on the date of delivery or attempted delivery (as shown on the return receipt). Any notice not so given by registered or certified mail, such as notices delivered by personal delivery or courier service, shall be deemed given upon receipt, rejection or refusal of the same by the Party to whom the notice is given. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice or other communication sent.

To Seller: Successor Agency to the Community Development Commission of
the City of Huntington Park
6550 Miles Avenue
Huntington Park, CA 90255
Attention: Ms. Fernanda Palacios

To Buyer: PAC HP HOLDINGS, LLC

8.2 Brokers and Sales Commissions. Buyer's sole contact with Seller or with the Property has been made without the assistance of any broker or other third party. Each party shall indemnify, protect, defend and hold harmless the other and its successors hereunder from and against any and all claims, liabilities, obligations, losses, damages, costs and expenses, including, without limitation, reasonable attorney's fees, court costs and litigation expenses, arising from or in connection with any sales or brokerage commissions, finder's fees or other commissions which are (or are claimed to be) payable in connection with the transaction which is the subject of this Agreement by reason of the actions (or alleged actions) of such indemnifying Party.

9. MISCELLANEOUS.

9.1 Survival of Covenants. Except as otherwise expressly provided herein, the covenants, representations and warranties of both Buyer and Seller set forth in this Agreement shall survive the recordation of the Grant Deed and the Close of Escrow.

9.2 Required Actions of Buyer and Seller. Buyer and Seller agree to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to consummate the purchase and sale herein contemplated, and shall use their best efforts to accomplish the Close of Escrow in accordance with the provisions hereof.

9.3 Time of Essence. Time is of the essence of each and every term, condition, obligation and provision hereof in which time is a factor.

9.4 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

9.5 Captions. Any captions to, or headings of, the paragraphs or subparagraphs of this Agreement are solely for the convenience of the Parties, are not a part of this Agreement, and shall not be used for the interpretation or determination of the validity of this Agreement or any provision hereof.

9.6 No Obligations to Third Parties. The execution and delivery of this Agreement shall not be deemed to confer any rights upon, nor obligate any of the Parties to, any

person or entity other than the Parties and, to the extent this Agreement constitutes escrow instructions, the Title Company.

9.7 Exhibits and Attachments. The Exhibits attached hereto are hereby incorporated herein by this reference.

9.8 Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

9.9 Applicable Law. All questions with respect to this Agreement, and the rights and liabilities of the Parties and venue hereto, shall be governed by the laws of the State of California. Any and all legal actions sought to enforce the terms and provisions of the Agreement shall be brought in the courts of the County of Los Angeles.

9.10 Assignment. Buyer shall not assign this Agreement without the prior consent of Seller. Seller shall not assign this Agreement, or any right or obligation herein, to any party without the prior written consent of Buyer.

9.11 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto.

9.12 Severability. If any term or provision of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected.

9.13 Construction. This Agreement will be liberally construed to effectuate the intention of the Parties with respect to the transaction described herein. In determining the meaning of, or resolving any ambiguity with respect to, any word, phrase or provision of this Agreement, neither this Agreement nor any uncertainty or ambiguity herein will be construed or resolved against either Party (including the Party primarily responsible for drafting and preparation of this Agreement), under any rule of construction or otherwise, it being expressly understood and agreed that the Parties have participated equally or have had equal opportunity to participate in the drafting thereof.

9.14 Legal Fees. Each Party shall be responsible for payment of its own attorney's fees with respect to negotiation and preparation of this Agreement and processing of the escrow.

9.15 Fees and Other Expenses. Except as otherwise provided herein, each of the Parties shall pay its own fees and expenses in connection with this Agreement.

9.16 Entire Agreement. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between Buyer and Seller as to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby.

9.17 Amendment to this Agreement. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the Parties hereto.

9.18 Effective Date. This Agreement shall become effective on the date (Effective Date) that it has been executed by both Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first set forth above.

SELLER:

SUCCESSOR AGENCY TO THE CITY OF
HUNTINGTON PARK COMMUNITY
DEVELOPMENT COMMISSION

Rene Bobadilla, Executive Director

ATTEST:

_____, City Clerk

BUYER:

PAC HP HOLDINGS, LLC, a California
limited liability company

By: _____
Print Name: _____
Title: _____

EXHIBIT LIST

Exhibit A	Legal Description of Property
Exhibit B	Form of Grant Deed
Exhibit C	Form of Pedestrian Easement
Exhibit C	Form of Parking Covenant

EXHIBIT A

LEGAL DESCRIPTION OF THE PROPERTY

The land referred to herein is situated in the State of California, County of Los Angeles, City of Huntington Park, and described as follows:

Lot(s) 17 in Block 31 of Huntington Park in the City of Huntington Park, County of Los Angeles, State of California, as per map recorded in Book 3, Page(s) 91, of Maps, in the office of the County Recorder of said County.

Assessor's Parcel No. 6320-031-022

EXHIBIT B
FORM OF GRANT DEED

(Attached.)

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
AND MAIL TAX STATEMENTS TO:

PAC HP HOLDINGS, LLC

The undersigned grantor declares:
DOCUMENTARY TAX IS \$_____ BASED ON
THE VALUE OF AND CONSIDERATION FOR
THE PROPERTY (CITY OF HUNTINGTON
PARK, COUNTY OF LOS ANGELES)

Assessor's Parcel No: 6320-031-022

GRANT DEED

FOR VALUABLE CONSIDERATION, the receipt of which is hereby acknowledged, the SUCCESSOR AGENCY TO THE CITY OF HUNTINGTON PARK COMMUNITY DEVELOPMENT COMMISSION, a public body, corporate and politic ("Grantor"), hereby grants to PAC HP HOLDINGS, LLC, a California limited liability company ("Grantee"), that certain real property (the "Land") located in the City of Huntington Park, County of Los Angeles, State of California, more particularly described in Exhibit A attached hereto together with all right, title and interest of Grantor in and to all buildings and improvements now located or hereafter constructed on the Land, subject to:

- a. All matters of record; and
- b. All matters which would be disclosed by an ALTA survey (it being understood that Grantee will rely on title insurance and its right to conduct a survey).

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of _____, 20__.

CITY OF HUNTINGTON PARK

By: _____
Name: _____
Title: _____

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
(NOTARY SEAL)

My Commission Expires: _____

EXHIBIT A TO GRANT DEED

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, City of Huntington Park, and described as follows:

Lot(s) 17 in Block 31 of Huntington Park in the City of Huntington Park, County of Los Angeles, State of California, as per map recorded in Book 3, Page(s) 91, of Maps, in the office of the County Recorder of said County.

Assessor's Parcel No. 6320-031-022

EXHIBIT C

FORM OF PEDESTRIAN EASEMENT

(Attached.)

EXHIBIT D
FORM OF PARKING COVENANT

(Attached.)

RESOLUTION OSB 2013-05

A RESOLUTION OF THE OVERSIGHT BOARD OF DIRECTORS

FOR THE SUCCESSOR AGENCY TO THE COMMUNITY

DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK

**APPROVING A PURCHASE AND SALE AGREEMENT FOR PROPERTY LOCATED AT
6325 PACIFIC BOULEVARD ("HERITAGE PLAZA")**

WHEREAS, California Health and Safety Code section 34191.5(b), (the "Act") provides that the Successor Agency of the former Community Development Commission of the City of Huntington Park (the "Successor Agency") is required to prepare a Long Range Property Management Plan (the "Plan") that addresses the disposition and use of real properties of the former redevelopment agency; and

WHEREAS, section 34191.5(b) of the Act also requires the Successor Agency to submit the Plan to the Oversight Board of the Successor Agency of the former Community Development Commission of the City of Huntington Park (the "Oversight Board") and the Department of Finance, and required regulatory agencies, not later than six months following the issuance to the Successor Agency of the finding of completion; and

WHEREAS, the Successor Agency received its finding of completion from the Department of Finance on April 12, 2013; and

WHEREAS, at its regularly scheduled meeting on June 12, 2013, the Oversight Board approved the Plan;

WHEREAS, the Plan governs the disposition by sale of four properties owned by the Successor Agency:

- 1) Heritage Plaza (6325 Pacific Boulevard)

2) Rugby Avenue Parking Lots (6116 Rugby Avenue)

3) Carmelita Avenue property (6100-6114 Carmelita Avenue/6126 Bear Avenue/3806-3828 61st Street)

4) Southland Steel (5959-6169 South Alameda Street)

WHEREAS, the Successor Agency received approval of the Plan from the Department of Finance on August 29, 2013;

WHEREAS, the Successor Agency desires to sell Heritage Plaza, consistent with the provisions of the approved Plan;

NOW, THEREFORE, BE IT RESOLVED BY THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY OF THE FORMER COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF HUNTINGTON PARK, AS FOLLOWS:

A. The Oversight Board finds that:

1. The recitals above are true and correct and have been incorporated herein by reference.

2. The sale of Heritage Plaza is made in accordance with the approved Plan.

B. The Oversight Board hereby APPROVES the Purchase and Sale Agreement ("Agreement") for Heritage Plaza, substantially as presented to the Oversight Board at its November 13, 2013 meeting subject to approval by the Department of Finance. It is expressly understood that the Agreement for the sale of this property is conditioned upon the prior approval of the Department of Finance.

C. The Oversight Board hereby AUTHORIZES electronic transmission of this Resolution and Agreement to the Department of Finance and other required regulatory agencies.

1 D. The Oversight Board hereby AUTHORIZES the Executive Director for the
2 Successor Agency, or the Executive Director's designee, to take such action as
3 necessary for the sale of Heritage Plaza, upon receipt of, and compliance with,
4 the final approval by the Department of Finance.

5 PASSED AND ADOPTED by the Oversight Board of the Successor Agency of the
6 former Community Development Commission of the City of Huntington Park at a meeting
7 held this 13th day of November, 2013, by the following vote to wit:
8

9 AYES:

10 NOES:

11
12 ABSENT:

13
14
15
16
17 ATTEST:

OVERSIGHT BOARD:

18
19
20 Rhonda Rangel, Deputy Clerk
21 Los Angeles County Board of Supervisors
22 Acting as Secretary to the Huntington Park
23 Oversight Board
24
25
26
27
28

Chair Elba Guerrero

1
2
3
4
5
6 STATE OF CALIFORNIA)
7 COUNTY OF LOS ANGELES) SS
8 CITY OF HUNTINGTON PARK)
9

10 I, Rhonda Rangel, Secretary of the Oversight Board, DO HEREBY CERTIFY that the
11 foregoing Oversight Board Resolution No. OSB 2013-05 was duly adopted by the Oversight
12 Board and approved by the Chair at a meeting of said Oversight Board held on the 13th day
13 of November 2013, and that it was so adopted as follows:
14

15 AYES:

16 NOES:

17 ABSENT:

18 ABSTAINING: None
19
20
21
22

23
24 _____
Rhonda Rangel, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary to the Huntington Park Oversight
25 Board
26
27
28